

*Railway Act—Rate Structure*

## RAILWAY ACT AMENDMENT

The house resumed from Friday, March 24, consideration of the motion of Mr. Reid for the second reading of Bill No. 50, to amend the Railway Act (rate structure).

Mr. A. W. NEILL (Comox-Alberni): Mr. Speaker, I support this bill and shall take this opportunity of answering some of the objections which have been raised to it. The argument of the hon. member for East Algoma (Mr. Nicholson) is so untenable that it hardly warrants a reply. It is easy to build up an argument based upon premises made to fit the argument rather than upon premises based upon fact, and that is what the hon. member did. He built up his argument upon the supposition that this bill would compel the railway board to cancel rates. We have no reason to believe that the Board of Railway Commissioners is composed of either fools or knaves or will be so composed in the future. The hon. member's minor argument was that the bill would compel a reduction of rates which would prove to be unprofitable to our railways already in the red financially. There is a wide difference between cancelling rates and asking that rates for the same commodity should be equalized for the same distance. It is extra discrimination when a low rate applies on a valuable product and a high rate applies on a low priced article. The rate for domestic wheat is considerably more than double the rate for export wheat, and by far the greater bulk of the wheat going to British Columbia is for export. The railways compete for this export trade, therefore it must be assumed that the railway heads, being business men, consider that this business pays. If the low rate business pays, surely the railways will not be ruined by handling more business at the same rate. As an illustration, let us assume that a trainload consisting of thirty cars of wheat is being shipped from the prairies to British Columbia. Twenty-nine cars are loaded with export wheat at the low rate. This business must be profitable because the railways compete for it, yet they say that they cannot carry the thirtieth car loaded with domestic grain except at a rate more than double what they are willing to accept for the bulk of the trade. That does not seem to be a logical argument. The hon. member argued that it would be disastrous to reduce rates but he should not forget that the railways themselves reduced the rates on export wheat.

The remarks of the hon. member for Fraser Valley (Mr. Barber) consisted mostly of a political attack upon the hon. member for New Westminster (Mr. Reid) who introduced [Mr. Nicholson.]

this bill. I think such an attack was entirely out of place inasmuch as the hon. member for New Westminster did not give a political slant to his remarks. However, the hon. member for New Westminster is quite capable of taking care of that himself.

Now let us analyze and define the situation to see if there is any need for this bill. That is the manner in which we should approach a matter of this kind. A long time ago the rate on export wheat to British Columbia was much higher than it is at the present time, but it was still lower than the domestic rate. Representations were made and the export rate was cut down substantially but the domestic rate was not reduced at all. The spread was made still greater. That happened on at least one more occasion, and I am not quite sure whether or not there was a third deduction. The differential is now very great, being more than double. If it were right to have the differential as it was in the original schedule, it cannot be right to have that differential increased to the extent to which it is at the present moment.

From time to time the governments of British Columbia protested against this differential, but their protests were more or less in vain. This action was taken by governments consisting of different parties. In contesting these applications for reduced rates, I think the railways broke a very important law, that known as the law of diminishing returns. This law works as inevitably as the law of supply and demand. To put it another way, you cannot charge more than the traffic will bear. That is a well known axiom in railway or other lines of business. The result was that they killed the goose that lays the golden egg or, in this case, the hen that laid the golden eggs.

I have before me a communication from a well known businessman in the district I represent. This was written a few days ago and he states that a great many of the remaining flocks of poultry have been shipped out and he believes that not more than fifteen per cent are left. That is to say, there has been a falling off in the poultry flocks in that district amounting to eighty-five per cent. I can corroborate that statement from my own knowledge. I remember people who used to have two, three or four thousand birds but who at the present time have not a single bird. They have been cleaned out and absolutely ruined. This man says that eighty-five per cent have been cleaned out, and I believe he is correct. The railways have lost not only the shipping of feed which these poultrymen would need, but also the shipping of supplies and other accessories. There is also the very